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C O N F I D E N T I A L CAIRO 001855

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NSC FOR WATERS AND DAVIS

E.O. 12958: DECL: 06/18/2017
TAGS: [PGOV](#) [KDEM](#) [PHUM](#) [EG](#)
SUBJECT: SAAD EDDIN IBRAHIM ACCUSED OF ESPIONAGE AND
DAMAGING EGYPT'S ECONOMIC INTERESTS

REF: CAIRO 1821

Classified By: Counselor for Economic and Political Affairs,
Catherine Hill-Herndon, for reasons 1.4 (b) and (d).

¶1. (U) Egyptian newspapers reported on June 18 that renowned Egyptian-American democracy activist Saad Eddin Ibrahim (SEI), recently the target of a smear campaign in Egypt's government-backed press for his attendance at President Bush's June 5 Prague speech (reftel), has been accused of "damaging the state's economic interests" (for reportedly asking President Bush to condition U.S. assistance to Egypt) and "espionage for a foreign state." According to press reports, on June 17 Nabil Louka Bebawi, a Coptic former police general and Lions Club leader, filed a complaint against SEI at the Public Prosecutor's office (Note: The Public Prosecutor is Egypt's Attorney-General equivalent. End note). The June 18 issue of Al Ahram, Egypt's largest state-owned daily, carried the text of the complaint: "All Egyptian and international press reported that when Dr. Saad Eddin Ibrahim, a dual national, met with President Bush, he asked him to cut back U.S. financial assistance to Egypt, alleging that Egypt does not maintain human rights. What he did is a crime under Article 77D of the Egyptian penal code, which punishes with imprisonment anyone who works with a foreign country, or for its interests, or spies for it, causing harm to the military, political, diplomatic, or economic interests of Egypt." When such a complaint is filed with the Public Prosecutor's office, the normal next step is for state prosecutors to investigate the allegations, and then determine whether to press charges.

¶2. (C) Poloff called Barbara Ibrahim, SEI's wife, to alert her to the allegations. Noting that this was "not surprising," given the heightened venom of recent media attacks against SEI, Ibrahim said that her husband is currently in Amman, and will likely subsequently travel to Dubai, Qatar, northern Iraq, and the U.S. for a variety of projects. Ibrahim said that SEI does not plan to return to Egypt until "mid to late July, at the earliest."

¶3. (SBU) Meanwhile, on June 17, USAID officers in Cairo were sent an anonymous e-mail alleging that "dangerous financial violations (have been committed) by the Ibn Khaldun Center (the Egyptian civil society organization headed by SEI) in the last few months. The attached documents prove that the Center has violated its contracts with donor organizations and misappropriated the money of tax payers." The e-mail attached alleged financial documents from the Ibn Khaldun Center. Embassy's MEPI staff is looking into the allegations.
JONES